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TRIPURA LEGISLATIVE ASSEMBLY SECRETARIAT

AGARTALA, TRIPURA, PIN - 799010

No.F.7(13-12)-LA/2025/1059 **Dated, Agartala, the 20th September, 2025**

NOTIFICATION

"As required under Rule 117 of the Rules of Procedure and Conduct of Business in the Tripura Legislative Assembly, **'The Tripura State Goods and Services Tax (Ninth Amendment) Bill, 2025 (The Tripura Bill No. 8 of 2025)'** as introduced in the Assembly on the **19th September, 2025** to be published in the Tripura Gazette.".

(S. K. Majumder)
Secretary
Tripura Legislative Assembly

THE TRIPURA BILL NO. 8 OF 2025.

THE TRIPURA STATE GOODS AND SERVICES TAX (NINTH AMENDMENT) BILL, 2025

A

BILL

to further amend the Tripura State Goods and Services Tax Act, 2017.

WHEREAS, the Central Goods and Services Tax Act, 2017 has been amended, under Section 121 to 134 of the Finance Act, 2025 (No. 7 of 2025);

AND WHEREAS, similar amendments are required to be made in the Tripura State Goods and Services Tax Act, 2017 to avoid repugnancy with the Central Act;

BE it enacted by The Tripura Legislative Assembly in the Seventy-sixth Year of the Republic of India as follows:

Short title and commencement.

1. (1) This Act may be called the Tripura State Goods and Services Tax (Ninth Amendment) Act, 2025;

(2) Save as otherwise provided in this Act, sections 2 to 15 shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

Amendment of section 2.

2. In the Tripura State Goods and Services Tax Act, 2017 (hereinafter referred as the Principal Act), in section 2,— 9 of 2017

(i) in clause (61), after the word and figure "section 9", the words, brackets and figures "of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017" shall be inserted with effect from the 1st day of April, 2025; 13 of 2017

(ii) in clause (69),—

(a) in sub-clause (c), after the words "management of a municipal", the word "fund" shall be inserted;

(b) after sub-clause (c), the following *Explanation* shall be

inserted, namely:—

'*Explanation.*— For the purposes of this sub-clause–

(a) "local fund" means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;

(b) "municipal fund" means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called.';

(iii) after clause (116), the following clause shall be inserted, namely:—

'(116A) "unique identification marking" means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable;'.

Amendment of section 12.

3. In section 12 of the Principal Act, sub-section (4) shall be omitted.

Amendment of section 13.

4. In section 13 of the Principal Act, sub-section (4) shall be omitted.

Amendment of section 17.

5. In section 17 of the Principal Act, in sub-section (5), in clause (d), —

(i) for the words "plant or machinery", the words "plant and machinery" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017;

(ii) the *Explanation* shall be numbered as *Explanation* 1 thereof, and after *Explanation* 1 as so numbered, the following *Explanation* shall be inserted, namely:—

'*Explanation 2*.— For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to "plant or

machinery" shall be construed and shall always be deemed to have been construed as a reference to "plant and machinery";'.

Amendment of section 20.

6. In section 20 of the Principal Act, with effect from the 1st day of April, 2025,—

(i) in sub-section (1), after the word and figure "section 9", the words, brackets and figures "of this Act or under subsection (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017" shall be inserted; 13 of 2017

(ii) in sub-section (2), after the word and figure "section 9", the words, brackets and figures "of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017," shall be inserted. 13 of 2017

Amendment of section 34.

7. In section 34 of the Principal Act, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:—

"Provided that no reduction in output tax liability of the supplier shall be permitted, if the—

(i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or

(ii) incidence of tax on such supply has been passed on to any other person, in other cases.".

Amendment of section 38.

8. In section 38 of the Principal Act,—

(i) in sub-section (1), for the words "an auto-generated statement", the words "a statement" shall be substituted;

(ii) in sub-section (2),—

(a) for the words "auto-generated statement under", the words "statement referred in" shall be substituted;

(b) in clause (a), the word "and" shall be omitted;

(c) in clause (b), after the words "by the recipient,", the word "including" shall be inserted;

(d) after clause (b), the following clause shall be inserted,

namely:—

"(c) such other details as may be prescribed.".

Amendment of section 39.

9. In section 39 of the Principal Act, in sub-section (1), for the words "and within such time", the words "within such time, and subject to such conditions and restrictions" shall be substituted.

Amendment of section 107.

10. In section 107 of the Principal Act, in sub-section (6), for the proviso, the following proviso shall be substituted, namely:—

"Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty has been paid by the appellant.".

Amendment of section 112.

11. In section 112 of the Principal Act, in sub-section (8), the following proviso shall be inserted, namely:—

"Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty, in addition to the amount payable under the proviso to sub-section (6) of section 107 has been paid by the appellant.".

Insertion of new section 122B Penalty for failure to comply with track and trace mechanism.

12. After section 122A of the Principal Act, the following section shall be inserted, namely:—

"122B. Notwithstanding anything contained in this Act, where any person referred to in clause (b) of sub-section (1) of section 148A acts in contravention of the provisions of the said section, he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.".

Insertion of new section 148A. Track and trace mechanism for certain goods.

13. After section 148 of the Principal Act, the following section shall be inserted, namely:—

"148A. (1) The Government may, on the recommendations of the Council, by notification, specify,—

(a) the goods;

(b) persons or class of persons who are in possession or deal with such goods, to which the provisions of this section shall

apply.

(2) The Government may, in respect of the goods referred to in clause (a) of sub-section (1),—

(a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed; and

(b) prescribe the unique identification marking for such goods, including the information to be recorded therein.

(3) The persons referred to in sub-section (1), shall,—

(a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner;

(b) furnish such information and details within such time and maintain such records or documents, in such form and manner;

(c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner;

(d) pay such amount in relation to the system referred to in sub-section (2), as may be prescribed.".

Amendment of Schedule III.

14. In Schedule III of the Principal Act,—

(i) in paragraph 8, after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017, namely:—

"(aa) Supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area;";

(ii) in *Explanation* 2, after the words "For the purposes of", the words, brackets and letter "clause (a) of" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017; 28 of 2005

(iii) after *Explanation* 2, the following *Explanation* shall be

inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017, namely:—

"*Explanation* 3.— For the purposes of clause (aa) of paragraph 8, the expressions "Special Economic Zone", "Free Trade Warehousing Zone" and "Domestic Tariff Area" shall have the same meanings respectively as assigned to them in section 2 of the Special Economic Zones Act, 2005.".

No refund of tax collected.

15. No refund shall be made of all such tax which has been collected, but which would not have been so collected, had section 14 been in force at all material times.

STATEMENT OF OBJECTS & REASONS

The Central Government has amended the Central Goods and Services Tax Act, 2017, under Section 121 to 134 of the Finance Act, 2025 (No. 7 of 2025);

Similar amendments are required to be made in the Tripura State Goods and Services Tax Act, 2017 to avoid repugnancy with the Central Act.

The proposed Tripura State Goods and Services Tax (Ninth Amendment) Bill, 2025, *inter alia*, provides for—

Clause 2 of the Bill seeks to amend section 2 of the Tripura State Goods and Services Tax Act to modify definitions. It proposes to amend the definition of "Input Service Distributor" in clause (61) to include the distribution of input tax credit for inter-State supplies subject to tax on a reverse charge basis, referencing sub-sections (3) and (4) of section 5 of the Integrated Goods and Services Tax Act, effective from 1st April 2025. It also amends sub-clause (c) of clause (69) to clarify "municipal fund" and "local fund" and introduces clause (116A) to define "unique identification marking" for track and trace mechanisms.

Clause 3 of the Bill seeks to omit sub-section (4) of section 12 to eliminate the provision for determining the time of supply for transactions involving vouchers, as such transactions are considered neither a supply of goods nor a supply of services.

Clause 4 of the Bill seeks to omit sub-section (4) of section 13, removing the time of supply provision for voucher transactions, in line with the amendment in clause 3.

Clause 5 of the Bill seeks to amend clause (d) of sub-section (5) of section 17 by substituting "plant or machinery" with "plant and machinery," eliminating interpretational ambiguities in input tax credit availment. Additionally, an Explanation is proposed to clarify that this amendment will apply retrospectively from 1st July 2017, overriding any contrary judicial pronouncements.

Clause 6 of the Bill seeks to amend sub-sections (1) and (2) of section 20 to explicitly provide for the distribution of input tax credit by Input Service Distributors for inter-State supplies subject to reverse charge tax by inserting references to sub-section (3) and sub-section (4) of section 5 of the Integrated Goods and Services Tax Act. These amendments shall take effect from 1st April 2025.

Clause 7 of the Bill seeks to amend the proviso to sub-section (2) of section 34 to mandate the reversal of input tax credit corresponding to a credit note, if availed, by the registered recipient to reduce the tax liability of the supplier. It also removes the condition that the tax incidence must not have been passed on.

Clause 8 of the Bill seeks to amend section 38 by omitting the term "auto-generated" in sub-sections (1) and (2) concerning input tax credit statements. It further amends clause (b) of sub-section (2) to insert "including" after "by the recipient," making it inclusive of other ineligible credit scenarios. A new clause (c) is inserted to enable the prescription of additional details in input tax credit statements.

Clause 9 of the Bill seeks to amend sub-section (1) of section 39 to introduce enabling provisions prescribing conditions and restrictions for return filing.

Clause 10 of the Bill seeks to substitute the proviso to sub-section (6) of section 107, requiring a pre-deposit of 10% of the penalty amount for appeals against orders involving only penalties and no tax demand.

Clause 11 of the Bill seeks to insert a proviso to sub-section (8) of section 112, requiring a 10% penalty pre-deposit for appeals before the Appellate Tribunal where no tax demand is involved.

Clause 12 of the Bill seeks to insert a new section 122B to prescribe penalties for contraventions related to the track and trace mechanism.

Clause 13 of the Bill seeks to insert a new section 148A to enable the implementation of a track and trace mechanism for monitoring and controlling the supply of specified commodities.

Clause 14 of the Bill seeks to insert clause (aa) in paragraph 8 of Schedule III, specifying that goods warehoused in a Special Economic Zone or Free Trade Warehousing Zone and supplied before export clearance or to the Domestic Tariff Area shall be treated as neither a supply of goods nor services. Further amendments clarify the applicability of Explanation 2 and insert Explanation 3 to define "Special Economic Zone," "Free Trade Warehousing Zone," and "Domestic Tariff Area." These amendments shall take effect retrospectively from 1st July 2017.

Clause 15 of the Bill clarifies that no refund of tax already paid on the aforementioned transactions shall be granted.

2. The Bill seeks to achieve the above objectives.

(PRANAJIT SINGHA ROY)
Hon'ble Finance Minister

TECHNICAL REPORT

The proposed Bill provides for the levy of tax on the supply of goods or services or both. The subject matter of the Bill conforms to the provisions of Clause (1) of the Article 286 of the Constitution of India.

The State Legislature is competent to legislate on the subject under Clause (1) of Clause 246A of the Constitution of India. The Provisions of the Bill are not repugnant to any provision of any existing Central Law or any provision of the Constitution. It does not attract the proviso to Article 304(b) of the Constitution of India.

The Bill is money bill as defined in Clause (a) of Clause (1) of Article 199 of the Constitution of India and as such recommendation of the Governor as required under clause (1) of Article 207 of the Constitution of India will be required for introduction of the Bill in the Tripura Legislative Assembly.

Secretary
Law Department
Government of Tripura

FINANCIAL MEMORANDUM

The 'Tripura State Goods and Services Tax (Ninth Amendment) Bill, 2025' if enacted and brought into force, will not involve any recurring or non-recurring expenditure from the Consolidated Fund of the State.

Secretary
Finance Department
Government of Tripura